CANADA MORTGAGE AND HOUSING CORPORATION

Slovakia

NHA 8056

KEY OPPORTUNITIES

RISK ASSESSMENT

DEMOGRAPHIC DATA

CULTURAL ISSUES

BUSINESS ENVIRONMENT

HOUSING EXPORT OPPORTUNITIES SERIES

COUNTRY REPORT

CMHC SCHL
Helping to house Canadians

CMHC – Your Housing Experts

Canadians are among the best housed people in the world, and the majority own their homes. Part of this success is due to Canada Mortgage and Housing Corporation (CMHC), the federal housing agency. Since 1946, CMHC has helped to house generations of Canadians. We've developed the standards and practices required by a growing housing industry and found new ways to help Canadians finance home purchases.

Today, more than one third of all mortgages are insured by CMHC – but there's more to CMHC than mortgage insurance. We're continually finding ways to build better, more efficient and affordable housing, and to make information about it available to you.

In fact, CMHC is Canada's most comprehensive and objective source of information on housing and exporting, whether you're a home owner, a potential buyer, a renovator or a builder, or if you have special housing needs.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

Slovakia

HOUSING EXPORT OPPORTUNITIES SERIES

SLOVAKIA

One of the ways CMHC contributes to the improvement of housing and living conditions in Canada is by communicating the results of its research. Contact CMHC for a list of available information products on a variety of social, economic, environmental and technical housing-related topics.

Phone 1-800-668-2642 or visit us on the Internet at: www.cmhc-schl.gc.ca

Cette publication est aussi disponible en français sous le titre : *Slovaquie,* LNH 8056.

Canada

Team Canada • Équipe Canada

Printed in Canada
Produced by CMHC

TABLE OF CONTENTS

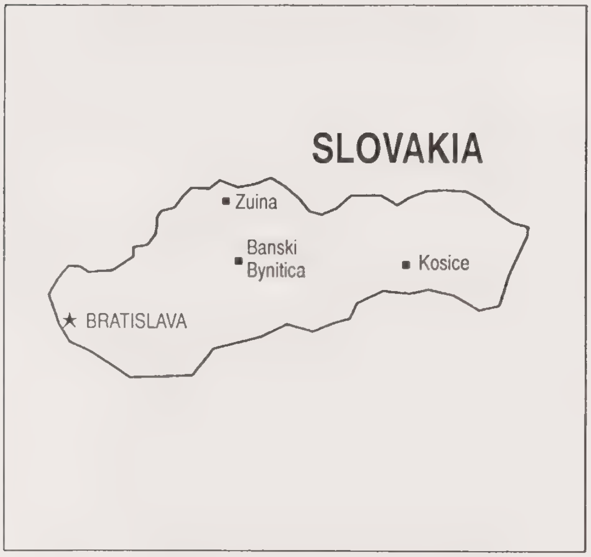
LIST OF TABLES

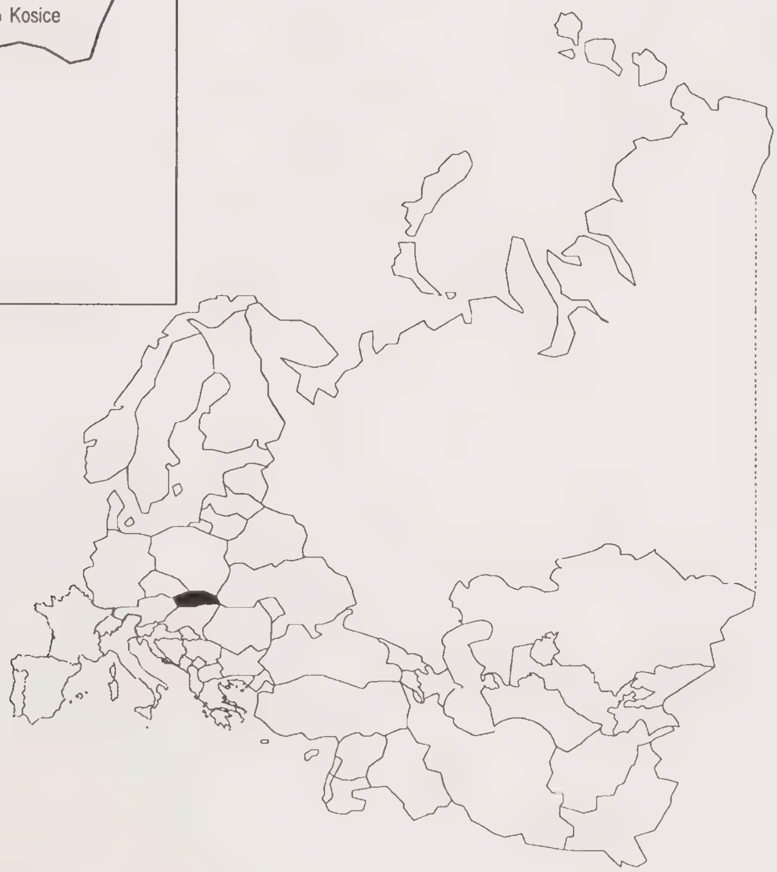
GEOGRAPHY

Slovakia is located in Central Europe, south of Poland. The total area is 48,845 km^2. Slovakia's land boundaries total 1,355 km; shared with Austria 91 km, Czech Republic 215 km, Hungary 515 km, Poland 444 km and the Ukraine 90 km. Although divided physically into the lowlands of the South, and the mountains of the central and northern regions, administratively, it consists of 4 regions (*kraje*).

The climate is temperate; with cool summers; and cold, cloudy, humid winters. The terrain includes rugged mountains in the central and northern part and lowlands in the south.

Natural resources include brown coal and lignite; small amounts of iron ore, copper and manganese ore; and salt. Current environmental issues include air pollution from metallurgical plants that present human health risks and acid rain that is damaging forests.





DEMOGRAPHICS

The population of Slovakia reached 5.4 million in 1995. Twenty-three percent of the population was under the age of 14 years; 66 percent was between 15-64 years; and 11 percent was 65 years and over. The population growth rate was 0.54 percent in 1995. The birth rate was 14.51 births per 1,000 population, while the death rate was 9.12 deaths per 1,000 population. The net migration rate was zero.

The population is expected to increase by approximately 225,000 between 1991-2000 (approximately 0.4 percent). Although there is a net emigration from Slovakia to the Czech Republic, there is still immigration to the country, amounting to a population increase of 0.3 percent in 1994 alone. At less than 57 percent, the population is not as heavily urban as in the rest of the Central and Eastern European region. Demographic indicators are presented in Table 1.

The nationality is Slovak. Ethnic divisions include Slovak (85.7 percent), Hungarian (10.7 percent), Gypsy (1.5 percent; however the 1992 census figures under-report the Gypsy and Romany community, which could reach 500,000 or more), Czech (1 percent), Ruthenian (0.3 percent), Ukrainian (0.3 percent), German (0.1 percent), Polish (0.1 percent), and other (0.3 percent).

Religions include Roman Catholic (60.3 percent), atheist (9.7 percent), Protestant (8.4 percent), Orthodox (4.1 percent) and other (17.5 percent). Languages spoken include Slovak (the official language) and Hungarian.

Table 1: Demographic Indicators

Population (million)	5.4
Population Density (per km^2,1994)	108
Population by Age	
0-14	23%
15-64	66%
65+	11%
Literacy Rate	99%
Population Growth (% projection 1992-2000)	0.4
Urban Population (% of total, 1994)	56.8
Human Development Index (ranking out of 174 countries, 1992)	40
Cities with over 1 million Inhabitants (1995)	None
Growth Rate of Largest City (% 1990-95)	Bratislava, NAV

NAV - Not Available
Sources: MRI, 1996; CIA, 1995; EIU, 1995 & 1996a, UNDP, 1995

ECONOMIC OVERVIEW

Since the "velvet revolution" of 1989, and national independence in 1993, Slovakia has adopted a market- oriented reform process. The privatization program ended in 1995. Slovakia is regarded as among the top five most economically advanced countries of Eastern Europe and it has one of the fastest growing economies in the region.

This is remarkable progress considering the former Czechoslovakia had the smallest private sector economic share (less than 2 percent) of the Central and Eastern European countries under communism. Between 1990-94, private sector share of GDP increased from 32.4 percent to 58.2 percent. This rebound may be partially explained by the fact that prior to World War II, the former Czechoslovakia had been a thriving market-oriented industrial democracy and memories of that era had not vanished entirely.

The International Monetary Fund (IMF) and the OECD have praised the Slovak Republic for successfully controlling inflation and sustaining growth. GNP, which was US$6.1 billion in 1992, has continued to grow. GDP per capita at purchasing power parity was US$5,000 in 1994, while GDP growth for 1995 was 7.4 percent and is expected to be strong for 1996. However, GDP growth may fall to 4 percent for 1997 as a result of poorer export growth. The macro-economic picture is positive with low foreign debt (US$450 per capita), and the lowest 1996 inflation rate among the transition economies, at 5.5 percent (down sharply from 58 percent in 1991).

The European credit rating agency IBCA recently upgraded Slovakia's rating to BBB as a result of the country's high growth rate, commitment to low inflation, and low external debt. The Economist Intelligence Unit rates the Slovak Republic as the fifth best country in Central and Eastern Europe in terms of its credit rating, experiencing a greater improvement than its neighbour and number one ranked country in the region, the Czech Republic.

However, the economy is still adjusting to the collapse of the Slovak Republic's traditional trade in arms and textiles with the former east European trading bloc. The budget surplus recorded in 1995 has now given way to a budget deficit equal to US$200 million, or approximately 4 percent of GDP. Nationally, unemployment has also risen to over 12 percent, but this figure hides some regional disparities. For example, in the capital Bratislava, unemployment is 4 percent. Slovakia exports mainly semi-finished products, machinery, iron, and chemicals, and imports primarily value-added technology, cars and energy. Slovakia has a deteriorating trade balance with imports rising almost 24 percent in the first half of 1996.

There was a significant improvement in foreign direct investment in the second quarter of 1996, with a 185-percent increase over the 1995 levels. However, total foreign direct investment (currently US$804 million) remains far behind the averages in other Eastern European nations. The failure to attract greater foreign investment will likely suppress economic growth, yet the number of joint ventures in Slovakia (currently 9,400) is unlikely to increase without structural changes in governance and regulation to promote foreign investment. While Austria is the country's top foreign investor, Canada is not among the country's top seven foreign investors. Key economic indicators and projections are illustrated in Table 2.

World Bank Economic Assessment

Slovakia achieved its independence after the "velvet" breakup of the Czech and Slovak Republic in 1993. Slovakia has a population of 5.4 million with a GNP per capita of US$2,940 in 1995. After World War II, Slovakia was the less developed of Czechoslovakia's two republics. However, it underwent rapid industrialization, which resulted in a convergence of incomes across the federation.

Table 2: Key Economic Indicators and Projections

	1994	1995	1996	1997 (est.)
Real GDP (% growth)	4.9	7.4	5.0 (est.)	4.1
GNP per Capita (US$ at Purchasing Power Parity [PPP])	6660			
Average Gross Monthly Wages (US$)		239.12		
Unemployment Rate (%)		10.5	12	9.0
Inflation Rate (%)	12	7	5.5	
Trade Balance (US$ billion)	0.1	0.1 (est.)	NAV	
Housing Investment to GDP (%)	0.2			
Gross Debt (US$ billion)	2.6	1.5		
Foreign Direct Investment (US$ million)	187	200	1990-95: 775	1996-2000: 2150

NAV - Not Available
Sources: EIU, 1996b; EBRD, 1996

In early 1991, as part of the federation, Slovakia implemented a bold and far-reaching transformation program characterized by a 50 percent devaluation of the koruna. It also completed trade and price liberalization and began rapid privatization of state enterprises through mass and standard privatization methods. Prudent fiscal, monetary, and income policies were also implemented. When the federation split into two countries, Slovakia lost important resources it had received from the federal budget amounting to an estimated 7 percent of GDP in 1992. To make up for the loss of federal transfers and to facilitate economic transformation in line with the country's comparative advantage, the International Monetary Fund (IMF) and the World Bank agreed to provide Slovakia with financial support.

Subsequently, GDP rose by an impressive 4.9 percent in 1994 and by 7.4 percent in 1995 from a decline of 23 percent between 1990 and 1993. In contrast to 1994, when a 20-percent rise in export volumes was the main source of economic recovery, the strong growth performance of 1995 was broad based. At the same time, exports continued to rise at a moderate pace of about 11 percent in 1995, and demand finally recovered after having fallen by 35 percent since the beginning of the transformation. Both fixed investment and consumption rose in 1995 by 6 percent and 3 percent, respectively. Imports grew at a much higher rate in 1995, about 10 percent in volume terms, mainly due to the expansion in domestic demand. The external account continued to be in surplus, 3.5 percent of GDP in 1995, though smaller than the 4.8 percent registered in 1994. Gross foreign reserves continued to increase and reached US$5 billion or about 6 months of imports at the end of 1995.

Two factors have sparked Slovakia's economic turnaround. First, Slovakia has succeeded in preserving its tradition of macro-economic prudence despite political instability. A tight monetary policy and strong fiscal stabilization measures, anchored by a fixed exchange rate, led to a rapid decline of the budget deficit from 12.8 percent of GDP in 1992 to 0.5 percent of GDP by the end of 1995. Inflation dropped from 23 percent in 1993 to below 10 percent in 1995 and about 6 percent in the first months of 1996. Unemployment, which had reached peak levels at the beginning of 1994 and 1995, has declined in the wake of the rapid expansion of economic activity. Currently, unemployment has stabilized at approximately 13 percent of the labour force.

Second, Slovakia successfully re-oriented foreign trade to Western European markets and its exports

were absorbed into these markets at a high rate initially. The government also succeeded in tapping into international capital markets.

In 1992 and 1993, Slovakia made early progress in privatizing the economy; however, privatization of state enterprises underwent a significant slowdown in 1994 and early 1995, due to political interruptions associated with the arrival of the new government and abrupt changes of privatization methods. The present government cancelled the second wave of mass privatization that had been started by the previous interim government and replaced it with standard privatization methods. The switch to direct sales and tenders has resulted in privatization delays, though the pace of privatization appears to have picked up significantly in the second half of 1995 and early 1996. Political uncertainty and lack of transparency in privatization have kept direct foreign investment at low levels amounting to US$157 million during 1995.

As in other transition countries, Slovakia's banking sector is burdened by high intermediation costs due to a sizeable stock of qualified loans. The government has taken several actions to improve bank portfolios and to institute prudent lending. The largest banks have transferred a significant amount of their portfolios to a new institution created specifically for the purpose of debt collection and work-outs. Recapitalization and encouraging the formation of new banks are two key elements of Slovakia's bank reforms.

Thus far, the number of banks has risen from three in 1990 to 23 banks in 1994, plus 9 branches of foreign banks. Although additional budgetary support cannot be excluded, Slovakia's approach to bank reform has been largely successful. Moreover, the government's intention to deepen bank privatization in the near future is a reflection of the government's confidence in its ability to attract strategic investors.

Slovakia has good prospects for achieving high rates of economic growth over the next few years. Being a small open economy, Slovakia can expect to grow at a moderate pace even if West European markets absorb Slovak exports at considerably lower rates than has recently been the trend. To maintain the pace of economic growth observed during the past two years or to grow faster, overall productivity and wages will have to increase at a much faster rate. However, such productivity and wage increases are not likely to occur unless the Slovak industry can make the necessary investments in upgrading and modernizing its human resources, products, and production processes.

The Slovak Republic joined the World Bank and the International Development Association (IDA) in January 1993. The share of Czechoslovakia's structural adjustment loans apportioned to Slovakia totalled US$150 million which rapidly provided much-needed foreign exchange during the first months of independence.

POLITICAL OVERVIEW

Slovakia is a parliamentary republic currently governed by coalition centrist and workers' parties. Extensive electoral reforms have undermined the country's shaky political image with the West, and a re-division of electoral districts is projected to double the number of seats currently held by the coalition in the next election. However, the government has drawn international criticism for continuing to act in an authoritarian manner failing to address mounting tensions with the country's sizeable Hungarian minority (11 percent of the population), slowing the pace of privatization, and by making patronage appointments. These factors will likely delay Slovakia from gaining full memberships in NATO and the European Union.

TRADE POLICY

Slovakia has re-oriented its trade from former east bloc countries to European Union (EU) countries (approximately 35 percent of total Slovak trade is with EU members), although for historical reasons trade with the Czech Republic (approximately 32 percent of total trade) is still of great importance. This trend should continue, as Slovak enterprises and trade associations are working hard to develop overseas markets. Slovakia has formally applied for EU membership, a process likely to take several years.

The Slovak Republic is a member of (Central European Free Trade Agreement (CEFTA), the free trade zone whose members include: Hungary, Poland, Slovenia, and the Czech Republic. Slovakia has recently completed a trade agreement with the Ukraine and has an association agreement with the European Union (EU). This agreement is a precursor to full EU membership and entails the harmonization of legislation and standards, as well as the reduction of trade barriers.

HOUSING CONDITIONS

Housing conditions in Slovakia are generally good by Central and Eastern European standards and well served by utilities. The majority of rental units are in multi-family buildings while the majority of owner-occupied units are in single-family buildings. The greatest ratio of households per dwelling is in ownership housing in Bratislava. Private rentals account for only 0.5 percent of the housing stock both nationally and in Bratislava. The higher ratio for the capital city suggests that families are sharing accommodation because of a shortage of suitable family units and because Bratislava has the nation's lowest unemployment rate, attracting workers from the countryside. This internal migration to urban centres may also explain why only 3.5 percent of housing in the capital is abandoned, compared to 8.5 percent of the housing stock nationally. Much of the abandoned housing in the capital may in fact be substandard. Housing is neither appropriate nor sufficient in the regions where it is needed, while in rural areas, it appears plentiful.

Nationally, the majority of the housing stock is owner-occupied, while in Bratislava, public rental and other (mainly equity co-operative), are more predominant. Owner-occupied family housing in Bratislava accounts for less than 9 percent of the total urban stock. Table 3 shows housing conditions by tenure type in 1994.

Table 3:
Housing Conditions by Tenure Type, 1994

Tenure Type	Percentage of the Housing Stock	Household/ dwelling	m^2/ Person	Persons/ Room	Number of Units (000s)	Units in Single-family Buildings (%)	Units in Multi-family Buildings (%)
Public Rental*	26.0	1.04	19.2	1.2	343.6	2.0	98.0
Bratislava	46.0	1.11	NAV	1.1	67.5	0.0	100.0
Owner-occupied*	51.6	1.15	24.3	1.1	811.4	96.8	3.3
Bratislava	8.3	1.18	NAV	0.9	16.0	98.0	2.0
Other*	22.4	NAV	19.3	1.2	463.0	2.0	98.0
Bratislava	44.4	1.04	NAV	1.1	78.2	NAV	NAV
Total*	100.0	1.10	21.9	1.1	-	-	-
Bratislava	100.0	1.10	NAV	1.1	-	-	-

NAV - Not Available
* National data-
Source: MRI, 1996

Table 4:
Housing Quality Characteristics (Based on a total stock of 1,642,000 units, 1995)

Total urban dwellings	988,900
Total rural dwellings	653,800
Housing units per 1,000 people*	334.0
Bratislava**	390.0
Piped water in % of flats*	91.8
Bath or shower in % of flats*	88.9
Central heating in % of total housing*	38.0
Housing built since 1960 (%)*	65.3
Bratislava**	69.9

* National average, 1994.
** Bratislava, capital city, 1995.
Sources: MRI, 1996; Kingsley and Mikelsons, 1996

This absolute shortage is even higher if substandard housing is included. Substandard housing amounts to 14.8 percent of all housing, and 28.8 percent of owner-occupied housing. While most modern apartments are connected to public utilities, single-family homes are not as well served. In 1993, only 29 percent of Slovakian homes were connected to gas lines, 21 percent to public sewerage, and less than half of the homes were equipped with central heating. Table 4 shows housing quality characteristics in 1995.

Overview

With the exception of some single-family homes, virtually all housing during the Communist era was owned, operated and constructed by the state. Land and infrastructure were provided for free, and interest rates, rents, and utilities were heavily subsidized. Rents were heavily controlled, averaging only 2.7 percent of incomes in 1988. Direct state budget outlays for housing in the former Czechoslovakia, averaged US$1 billion per year over the 1986-90 period. Reduced labour mobility, and housing over-consumption at the end of the family life-cycle due to strong tenants' rights including perpetual occupancy (transferable to family members); the right to sublet or exchange flats; the obligation of the building owner to find comparable alternative accommodation for tenants in order to evict them, led to housing shortages, particularly in Bratislava.

Relevant Regulatory Systems

In 1991, the Slovak Republic approved a new housing policy statement that eliminated the further construction of state apartments. A voucher privatization scheme was initiated whereby, citizens could redeem their vouchers for housing or for shares in other former state assets. Privatization has had considerable popular support in Slovakia, with over 60 percent of the population purchasing vouchers. By 1994, more than 2 percent of the former state housing had been privatized. The pace of privatization has been quite slow because local governments are hoping for a loosening of regulations that artificially limit the prices they can charge for newly privatized apartments.

Beginning in early 1991, there was a direct transfer of the ownership of a large share of the state-owned housing to popularly elected local governments. Much of the former state housing not restituted to original owners by local governments has been turned into condominiums, under the terms of the Co-operative Transformation Act of 1992. Roughly 36 percent of sitting tenants purchased title to their units by paying a small sum to the state, equal to the value of the outstanding loan. The limited equity co-operatives were obvious targets for privatization as members had already contributed towards their housing costs.

Although development has been permitted by private entrepreneurs, since 1992, there has been little success in streamlining land use planning and the development approvals processes. In June 1993, the Slovakian government passed the Condominium Act, allowing the conversion of former state-owned apartments into condominiums and providing condominium boards with legal status. However, sales have proceeded slowly due to a problem in the legislation. Rather than assessing a reasonable market value for the units, sale prices were determined by a rigid formula which yielded very low average prices of US$7 per m^2 for the unit and US$51 for the land. Because municipalities want to maximize their return from this one-time revenue source, they have delayed privatization hoping for a change in the formula. A reduction in tenants' rights to remove some rent controls, permit annual inflation-adjusted rent increases, and increasing landlords' ability to evict tenants is being considered, though legislation is not yet in place. The concept of a fixed-term lease is not under consideration.

Housing as a National Priority

The restitution of state-owned housing to former owners or their heirs was not a major issue in the Slovak Republic, accounting for only 0.3 percent of the national housing stock and 1.5 percent of the stock in Bratislava.

Housing subsidies, that began to be phased out in the 1991 budget, were virtually non-existent by 1994, accounting for only 0.8 percent of the state budget. The old low-interest loan programs for equity co-operatives and family houses dwindled, vanishing in 1993. The reduction of subsidies has allowed housing costs to rise to near market levels. Between 1990-94, gross rents increased 242 percent and utilities by 416 percent. The Consumer Price Index (CPI) rose 58 percent, while wages also rose 58 percent over the same period, indicating that Slovakian consumers are

devoting proportionally more of their incomes towards shelter costs.

Key Housing Market Institutions

The Ministry of Construction and Public Works is empowered under the Physical Planning and Building Code Acts to review plans for sites and subdivisions. Typically, the development process structured by the Ministry proceeds as follows:

- Ministry approval of the general scope of work: site plan, financial statement, project brief, background studies, construction schedule, and so on;
- an approval certificate from the Local Building Authority;
- approved site plan;
- approved working drawings for issuance of a building permit;
- executed construction contracts;
- construction;
- periodic and final inspection of construction; and
- local Building Authority issues occupancy or use permit.

The Ministry of Labour and Social Affairs is considering implementing a housing allowance program where the state would finance a rent-geared-to-income plan to reduce the effect of rent increases on the poor.

Housing management functions have been removed from the State Housing Management Agencies (OPBHs), and instead have been contracted to private sector firms with positive gains in efficiency.

The Ministry of Economy, the Ministry of Finance, and the National Property Fund were responsible for the voucher privatization scheme that officially ended in June 1995.

The Ministry of Construction and Public Works has responsibility for completing state units initiated before 1993 (US$344 million would be required to complete the 5,000 state units currently under construction, as well as providing policy direction to major construction activities. The Ministry works closely with a number of professional organizations including the Certification and Testing Institute.

State of the Local Housing Market

By 1994, the Slovakian government had invested only 2.5 percent of its 1990 contribution, and at 0.2 percent the housing share of GDP was low, even by Central and Eastern European standards. Table 5 shows housing investment for the period 1990-94.

Approximately 6,000 units were completed in 1995, a slight decrease from 1994 when 6,700 units were completed. Housing sector construction accounted for 8.1 percent of total industry output. However, this is a substantial decrease from both 1990 and 1980, when 24,500 units and 42,500 units respectively were completed. Since 1991 the cost of new housing has increased more rapidly than the growth in income.

The Slovak Republic Ministry of Construction and Public Works predicts that if financing can be secured, the following numbers of housing units will be constructed in the short-term:
11,000-12,000 units were expected in 1996;
16,000-17,000 units in 1997; and
23,000-25,000 units in 1998.

Table 5:
Housing Investment 1990- 94 (US$ million)

	State and Local Government	Co-operatives	Private Persons and Institutions	Total	Share of GDP
1990	451.1	NAV	NAV	NAV	NAV
1994	11.3	NAV	NAV	NAV	0.2

NAV - Not Available
Total investment in housing as a percentage of GNP.
Source: MRI, 1996

Table 6:
New Housing Units by Type of Developer

		1980	1990	1994
National	Government	11,437	4,153	614
	Co-operatives	18,527	10,033	2,189
	Private Individuals	12,614	10,365	3,557
	Total	42,578	24,551	6,360
Bratislava	Government	2,451	624	97
	Co-operatives	2,396	892	974
	Private Individuals	404	85	145
	Total	5,251	1,601	1,216

Source: MRI, 1996.

While the Communist era housing provision system was inefficient in many respects through the 1980s, the housing stock grew annually at 1.3 percent, while population grew at 0.5 percent. From 1970-91, housing conditions improved, decreasing from 3.5 to 3.3 persons per household, and floor space per person increased 39 percent to 16.1 m^2. By 1991 the national vacancy rate had reached 8.6 percent, although this figure is misleading since it includes seasonally occupied holiday homes.

In 1994, there were 1.3 housing starts per 1,000 population, which is among the lowest in the region. Average unit sizes have increased 15 percent, indicating the rise in expectations about housing amenity. Housing construction by private individuals has fared the best of all sectors, increasing its 1990 output by 34 percent in 1994. By comparison, the government sector had less than 14 percent of its previous 1990 output. Table 6 shows new housing units by type of developer.

Land costs, which range from 6-15 percent of total house price (i.e., US$16-41 per m^2), are quite reasonable for the region. Throughout the Slovak Republic, serviced residential land prices vary considerably with the highest prices in Bratislava. No data is available on the number of house sales. However, the average sale price of used housing was US$430 per m^2 nationally, implying potential profit margins approaching 30 percent.

The difference in size of new units constructed in Bratislava in comparison to the national average is significant. Construction costs are difficult to forecast and estimates do not remain valid for long because of inflation and uncertainty about the availability and cost of building materials. Average Slovakian residential construction costs in 1994 were US$272 per m^2, excluding land costs. Therefore, a modest 70 m^2 home costs US$19,050 to construct. Given current long-term interest rates of approximately 11 percent for a four-year period, monthly payments would be US$493, a figure equal to 145 percent of the total income of an average two-wage earning family. If this unit were constructed in central Bratislava, where demand is highest, it would cost approximately US$34,000.

The total development costs of a single-family detached house with the following characteristics: a floor area of 150 m^2, in a suburban location in Bratislava, in a subdivision with a density of 20 units per net residential hectare and at an average land price of US$27 per m^2, would cost approximately US$50,340. Developing a 100 m^2 townhouse in the same location with a net residential density of 38 units per hectare, reduces the cost to US$24,200. This is affordable to 9.6 percent (509,000) of all households in the former Czechoslovakia, if they were provided with a commercially viable mortgage instrument. Table 7 provides statistics on housing production, land and development costs.

Table 7:
Housing Production, Land and Development Costs

	New Units Per 1,000 Population			Land Cost[1]	Construction Cost[2]			New Unit Size, m^2		
	1990	1994	%1990/ 1994	1994	1990	1994	%1990/ 1994	1990	1994	%1990/ 1994
Slovak Republic	4.9	1.3	27	6-15	444	320-453	NAV	82.0	94.0	115
Bratislava	NAV	NAV	NAV	20-25	NAV	480	NAP	46.6	49.6	106

NAV - Not Available
NAP - Not Applicable
1. Defined as the land price as a percentage of the total house price (including land price) for typical newly constructed units.
2. Defined as the present replacement cost (labour, materials, on-site infrastructure, management and contractor profits) in US$ per m^2 of a median priced dwelling unit.
Source: MRI, 1996

MATERIALS, LABOUR AND FINANCING

Overview

Construction output for 1996 increased 5.8 percent over 1995 levels. The private sector accounts for roughly 84 percent of the total value of the building industry and has shown significantly stronger growth than the state building sector. However, according to a recent study, the Slovak Republic's construction industry is poised to boom as the government prepares to invest a significant amount of money in large infrastructure projects. The study predicts that from mid-1994 to mid-1997, the construction market will increase 18 percent in constant price terms. This projected growth would surpass the projected construction market performances of the Czech Republic, Poland and Hungary. Table 8 shows the structure of the building industry in 1994.

Table 8: Structure of the Building Industry, 1994

Public Corporations	92
Public Employees	32,579
Private Corporations	486
Private Employees	61,699
Companies with:	
0-49 Employees	175
50-99 Employees	184
100+ Employees	219
Total Employees	94,278

Source: MRI, 1996

Materials

The building materials available in Slovakia are generally non-standard products, available in a limited variety. The local production of building materials fell sharply after the economic transition began losing 34.3 percent of its production between 1990-91. Following these massive adjustments, the production of building materials has stabilized. However, some analysts feel that the construction industry, which consumes most of the local production, is poised for the most dramatic growth of any Eastern European country. The overall size of the market is expected to grow modestly, until such time as improved financing systems are put in place. Table 9 illustrates the local production of building materials in 1993.

Table 9: Local Production of Building Materials, 1993

Material	Quantity
Bricks	851 (million)
Lime	727 (1,000 t)
Plaster	5638 (1,000 m^2)
Insulation Materials	105 (1,000 t)
Pre-fabricated Concrete Elements	248 (1,000 m^3)
Sawn Wood	551 (1,000 m^3)

Source: United Nations, 1995

Labour

The number of construction firms doubled between 1991-93 to over 50,000, although total employment in the sector declined from 177,000 to 167,000. Anecdotal evidence suggests that a number of the firms are quite marginal, consisting of a single individual who may hope to do some construction work on the weekend, in addition to a full-time job. The total value of construction sector output averaged US$1.5 billion between 1991-93.

There is a large supply of skilled construction labour in Slovakia due in part to a reduction in the number of temporary work permits issued to Slovakian tradespeople by the German authorities. Labour costs are reasonably low due to low wage levels (up to US$265 in 1995) and high labour availability. However, productivity is correspondingly low. Nonetheless, in 1991 the labour component accounted for less than 18 percent of total housing construction cost. Employers and employees contribute 38 percent and 12 percent respectively of the employees'

gross income for health and social security contributions.

Financing

Although incomes are increasing in the Slovak Republic, the lack of an adequate housing financing mechanism remains one of the biggest constraints on the development of new dwellings. Most homes are purchased with a single cash payment in hard currency rather than a mortgage. Slovakian banks are poorly capitalized, offer unattractive high interest rates, and have suffered several failures. Additionally, the lack of mortgage and foreclosure legislation creates further disincentives for banks to extend long-term financing for housing. Recent reforms of the banking sector are aimed at improving capitalization, creating a bank to finance exports and imports (initially capitalized with US$65 million), and improving bankruptcy legislation. The World Bank recently approved a US$25 million loan to finance housing construction in 27 Slovakian towns and villages.

In 1992, the former Czechoslovakia passed legislation creating savings and loan schemes, two of which are still active in Slovakia. These are dedicated savings accounts that can be used for any housing-related expenditures including purchase or rehabilitation. The schemes are fairly attractive to participate in because the state credits each account with an amount equal to a pre-determined portion of the annual savings, and the interest accrued is tax-exempt, which together gives a combined yield of approximately 30 percent. The minimum savings period is six years. Approximately 200,000 of these accounts are active in the Slovak Republic with the first wave maturing in 1997. Although their average value will not be sufficient to purchase most housing, they will provide enough funds to undertake renovations and small additions.

HOUSING MARKET ACTIVITY, NEED AND DEMAND

Local Housing Activities

While residential real estate market is an emerging sector, sales are limited to properties restituted to their pre-1948 owners and privatized state housing. Many of the flats sold by local governments to their sitting tenants cannot be re-sold because formal legal title and ownership was not transferred at the time of sale and because there is a processing backlog. An informal property market exists with parties agreeing to exchange residences without exchange of legal title.

Factors Affecting the Demand for Housing

The Slovak Republic has a total housing stock of over 1.6 million units, averaging 3.3 persons per unit. There are 1.7 households with 2.6 persons per household. This suggests a shortfall of 145,000 units. According to the Ministry of Construction and Public Works, 15,000 units must be built annually in order to maintain the current ratio of apartments per 1,000 inhabitants. The Minister of Construction and Public Works has announced a plan to construct 97,000 apartments before the year 2000. This development rate is necessary just to keep pace with population growth in Slovakia. Population is expected to increase by approximately 225,000 between 1991-2000. The 1991 Census showed that there were 110,000 households sharing a dwelling.

Between 1994-95, wages increased by 47 percent, outstripping price increases in real terms, and reaching US$265 per month. The consulting firm Maxian and Kingsley (1992) estimated that in 1991 the cost of a typical new unit in the former Czechoslovakia (including Slovakia), was 13 times the urban median income. By 1994, the national ratio had come down to 5.6, indicating a dramatic increase in the ability of households to move into the ownership market. While average figures for GDP and per capita income are still low in the Slovak Republic, there are nonetheless a sizeable and growing number of wealthy Slovaks in Bratislava. Table 10 shows statistics on housing costs in the owner-occupied and rental sectors in 1994.

Table 10:
Housing Costs in the Owner-occupied and Rental Sectors, 1994

	Public Sector Rentals (as a % of average income)			Owner-occupied
	Rent	Utilities	Rent and Utilities	Ratio of house-price-to-income
Slovak Republic	5.3	14.7	20	5.6
Bratislava	4.2	13.4	17.6	6.8

Source: MRI, 1996

EXPORT OPPORTUNITIES AND STRATEGIES

Overview

The Slovak Republic is the 10th largest of 16 markets in Central and Eastern Europe for Canadian building products and was worth $610,000 between 1993-95. Table 11 illustrates the value of Canadian building material exports from 1994 to 1995.

Table 11: Value of Canadian Building Material Exports, 1994-95

	Wood Products	HVAC, Electrical, Mechanical	Roof, Floor and Wall Products
1994		367,230	
1995	24,400	126,961	91,420
Total 1993-95	24,400	494,191	91,420
% Increase 1994-95	NAP	–65	NAP

NAP - Not Applicable
Source: Industry Canada, 1997

Export Opportunities

There is very little real demand for housing in this market that cannot be met domestically at present. The low level of housing activity is primarily due to the inadequacy of finance mechanisms. If this obstacle were to be removed, effective demand would realistically be in the range of 15,000 units per year with potential profit margins approaching 30 percent. If certain macro-economic and financing reforms succeed, there will likely be further accelerated growth in wages, dual income families, and a wave of housing rehabilitation, particularly in Bratislava. The long history of housing as an important and secure means of accumulating wealth in Slovakia means that the market holds promise once conditions improve.

The following are some of the opportunities available to Canadian exporters:

- **Wood-frame Housing:** Masonry is the traditional housing construction material for 97 percent of single-family dwellings, and pre-cast concrete and brick are used in 100 percent of apartment buildings. Wood-framed housing is regarded as inferior in terms of durability and has limited appeal unless a significant price advantage can be offered. There are currently two wood-frame house producers in Slovakia, neither of whom has sold a single house domestically. The firm Drevoindustria a.s. based in Zilina, sold 9 pre-fabricated dwellings to Germany in 1995, but are expanding their marketing strategy to appeal to the mountainous areas of Slovakia. The firm Bucina a.s. offers four pre-fabricated models with a base price of US$34,000, and projects sales of 50 units for 1996. Their primary markets are Germany, Holland, France, and elsewhere in Eastern Europe; no homes were sold in the Slovak Republic.
- **Provision of Luxury Housing:** A promising niche market exists in the provision of luxury and custom homes on the outskirts of Bratislava. The type of house most likely to succeed would be a traditional masonry home with a few upgrades such as central heating, a custom kitchen, and a security system.
- **Structural Components:** More likely to succeed than pre-fabricated houses would be lightweight structural components such as roof trusses, and panel assemblies using a metal or wood-based frame. Lightweight panels are currently manufactured in the Slovak Republic with Canadian participation, for export to the Commonwealth of Independent States (CIS).
- **Insulation:** As energy prices rise to meet world levels, the demand for insulation materials will increase. Canadian foam insulation technologies have already been licensed for production in Slovakia using Canadian raw materials. The potential for export of other types of finished exterior insulation, for energy retrofitting of mid- and highrise concrete panel structures, is tremendous, provided financing can be secured. A number of organizations including the World Bank, European Bank for Reconstruction and Development (EBRD), and the International Finance Corporation are willing to finance such ventures. Average

annual losses due to poor insulation are in the range of US$6 per m^2.

- **Newly Privatized Industry:** Privatized housing construction and building material industries offer some good possibilities for Canadian investment. In many cases, improvements to obsolete production and management structures can produce favourable gains in productivity and return these facilities to profitability.

- **Do-It-Yourself Market:** While significant opportunities exist, this sub-sector is very price sensitive. Building products likely to sell successfully include kitchen cabinets, pre-hung doors, drywall supplies, and the small consumer tools required for this type of work, including impact drills, screwdrivers, cordless tools, drywall tools and wrench sets. Another limited opportunity is in the establishment of retail outlets to serve the do-it-yourself market.

Best Sales Prospects

The materials that are potentially the best sales prospects have been chosen by considering a combination of local need and demand and the Canadian ability to supply these products. While some of these products may already be available in the Slovak Republic, the Canadian products may offer a better price or quality. Based on an analysis of current trends the best sales prospects are:

- lightweight structural components, especially panel assemblies;
- masonry additives and technologies;
- exterior insulation for retrofitting mid- and highrise, pre-cast concrete panel apartment buildings;
- foam insulation;
- asphalt shingles;
- security systems; and
- heating, ventilation and air conditioning (HVAC) including heating control and measurement systems.

Sales volumes are low but prices are generally comparable to Western Europe.

Export Strategies

The Slovak Republic is potentially a promising market. The Slovakian government has taken several important steps towards addressing the legislative and financial obstacles to increasing housing consumption. Aspects of the business environment have been clarified for exporters and investors, and Slovakia has been given an "advanced" rating for its progress by the World Bank. Nonetheless, there is less transparency in the business, legal and regulatory environments than in Canada and the best way to mitigate risk is to work closely with business experts operating in the Slovak Republic. Some firms offer risk assessment services, market surveys and legal counsel for Canadian exporters. Other ways to limit risk are to use the services of a consolidator (who purchases goods in Canada for cash and exports directly), or to take advantage of export insurance programs offered by the Canadian government. The attitude towards Canadian products is positive, but the market is price sensitive. Consequently, the best opportunities for Canadians lie in selected niche markets.

Overview

Frequent changes of government since 1989, continued turnover of personnel at all levels of government, reversal of decisions made by the predecessor governments and the inability of any recent government to command a clear majority of the electorate are the political issues that have had the greatest effect on the business climate.

The Slovakian Koruna has been pegged to a basket of hard currencies (US$/DM) and has a trading band of 5 percent. It has been fully convertible since October 1995 (29.4 Koruna: US$). The full convertibility indicates the success of the Slovak Republic in maintaining a stable currency and healthy foreign exchange reserves. A slight tightening of fiscal policy has recently been introduced to reduce speculation and encourage foreign direct investment.

Canadian citizens do not require a visa for stays of 90 days or less. The official language is Slovak, although Hungarian is also spoken by a minority; English and German are spoken by some business people and professionals. The business day starts between 6:00-8:00 a.m. and ends between 3:00-5:00 p.m.

Business Customs

Business practice and etiquette in the Slovak Republic is a cross between that of Western Europe and North America on the one hand and that of Eastern Europe and Russia on the other. Slovaks are generally well disposed towards Canadians. While English as a business language is increasingly accepted in the Bratislava area, German is more common throughout the country. Russian is widely understood but may not always be welcomed. Many, but by no means all, Slovak companies have English speakers among their top managers; Canadian business representatives should be prepared to do business through interpreters and allow for the possibility of occasional misunderstandings.

Titles and positions (e.g., “Ing.” for Engineer) are highly regarded and routinely appear on business cards. Appointments should be made well in advance with telephone and fax confirmations made prior to scheduled appointments.

Business people occasionally have difficulty in receiving replies to letters or fax communications. Often mail or faxes do not reach recipients in a timely manner. Business people are encouraged to follow up with correspondence to ensure contact with the intended recipients. As telecommunications standards remain well below those in Canada, calls or faxes may require repeated efforts.

Successful business in Slovakia generally requires the establishment of a good personal relationship and a feeling of mutual trust. Meetings with Slovak business representatives typically include a welcoming toast of an alcoholic beverage such as slivovica (plum brandy) or borovicka (similar to gin). General social conversation prior to business is the norm, and launching directly into business may impede the development of a good personal relationship with the Slovak business partner. After initial meetings, written summaries of goals, objectives, and points of agreement or disagreement are encouraged to minimize misunderstandings between business parties.

The following holidays are observed in the Slovak Republic:

Table 12: Holidays

January 1	Slovak Republic Day
January 6	Epiphany
March/April (variable)	Good Friday
March/April (variable)	Easter Monday
May 1	Labour Day
July	Cyril & Methodius Day
August 29	Slovak National Uprising Day
September 1	Slovak Constitution Day
September 15	Assumption Day
November 1	All Saints Day
December 24	Christmas Eve
December 25	Christmas Day
December 26	St. Stephen's Day

Business Infrastructure

Slovakia has a good network of roads, but most of the country is covered only by two-lane highways or local roads. Only the distance between Bratislava and Piestany and short stretches near Liptovsky Mikulas and Kosice are covered by multiple-lane highway, totalling 198 km. Overall, there are 36,000 km of paved road. The government intends to build an extensive network of new roads, including 460 km of multiple-lane highway, by the year 2005. Construction has begun on a highway spur connecting Bratislava to the Vienna-Budapest motorway.

Slovakia has 3661 km of standard-gauge track; all large and medium cities are linked by rail. There are an additional 154 km of narrow- and broad-gauge track. Approximately 100 million passengers and 60 million tons of goods are transported annually. Development plans call for modernization of the railway network and upgrade of track to increase speed to 140 km/hr (120 km/hr in mountainous areas). Among the major development projects is modernization of the Bratislava-Zilina-Kosice connection ($1.2 billion).

Slovakia's major airport is located in the capital, Bratislava. Other airports are located in Kosice, Poprad, and Sliac. Domestic air travel is difficult, although a number of small carriers have established limited service. Partly because of Bratislava's proximity to Vienna (60 km), there are few international flights to or from Bratislava, and most travellers make use of Vienna's Schwechat airport. Slovakia and Austria have agreed to build high-speed rail links between Bratislava and Schwechat in the near future.

Taxi service in Slovakia is readily available. Drivers seldom speak English. Potential difficulties may arise from the confusing system of multiple prices (based on distance, location, and whether the traveller is Slovak or foreign). Foreigners may wish to confirm a price in advance. It is also advisable to call for taxis rather than catch them on the street, as radio-service companies are quite reliable.

Business accommodations are available but limited. Hotel standards are generally lower than those of Western Europe and North America, although prices may be high, especially in major cities. It is legal and not uncommon for foreigners to be charged a higher rate than Slovaks. The food is varied and of good quality, mixing Slovak, Austrian and Hungarian styles. Food prices in restaurants are generally not expensive, averaging about $5-15 per meal. Travellers to Slovakia should note that while major credit cards are increasingly accepted at major hotels and restaurants in Bratislava, acceptance lags in other parts of the country.

Slovakia has a relatively undeveloped telecommunications system, with one million lines installed, equivalent to a penetration rate of 18.7 lines per 100 persons. Much of the equipment is antiquated, and the rate of call completion is poor (and highly variable by location). Work has begun on installation of a digital overlay network, and the government's goal is to install 500,000 lines per year to reach a Western-standard penetration rate of 35 per 100 by the year 2000. The mobile telephone network has over 8,000 subscribers and is growing rapidly.

Distribution and Sales Channels

Distribution and sales channels do not seem to be well established. The most feasible means of distribution and sales is through the use of a local partner or a consolidator (an agent who purchases, ships and distributes goods directly for cash). Many sales are conducted at the annual construction fair in Bratislava. The Canadian Embassy can help with identifying interested agents, partners and distributors.

Establishing an Office

Foreigners in the Slovak Republic are in principle, equal to Slovak citizens, and may conduct business under the same set of regulations. There are four forms of business entity:

- General Commercial Partnership (all partners have unlimited liability).
- Limited Partnership (contains partners with unlimited liability and limited liability proportional to the size of their investment).
- Limited Liability Company (partners assume liability equal to their initial investment [min. 100,000 Koruna]; the company must hold an annual meeting).

- Joint Stock Company (capital is divided into shares and the minimum capital required is 1,000,000 Koruna; this entity offers foreigners quicker capital transfer).

Limited liability and joint stock companies can usually be created within three months or less.

Advertising and Trade Promotion

The best advertising value is in the construction, trade and Slovak Architects' Society magazines. Additionally, the construction fair in Bratislava attracts about 570 exhibitors and many direct sales occur off the floor at this annual event.

Protecting Your Intellectual Property

The Slovak Republic is a member of the World Intellectual Property Association. Consequently, intellectual property is protected in accordance with the standards of that association.

Regulatory Issues

Investment Incentives: Most foreign companies established in the 1993-94 period, and with a minimum of 30-percent foreign participation, are granted exemptions on profits tax for up to two years. In addition, these companies are granted a rate reduction of 15-30 percent for a further two years depending on the nature and level of investment. Other incentives are offered on a case-by-case basis.

Taxation: A Value Added Tax (VAT) of 25 percent applies to the importation of goods, construction projects, and the provision of services, while a VAT of 6 percent applies to land transfers. Slovakian-based manufacturers can claim back some VAT. The rental of land or buildings for commercial purposes, the sale of apartments, and some real estate sales are tax free. Personal income tax rates range from 15-42 percent, while the basic corporate tax rate is 40 percent.

Repatriation of Profits and Capital: Profits can be expatriated freely in whatever form they take, although the transfer of fully convertible currencies is subject to approval by the central bank, which may take up to three months. On cessation of business, capital can be repatriated.

Real Estate: Land is sold by the Ministry of Finance according to a formula based on the size of the population centre (Bratislava is most expensive), and some basic amenity considerations (central versus peripheral location, and so on); sales are not based on a true market appraisal value. The formula dictates base prices ranging from US$1-24 per m^2 which are then affected by surcharges and reductions. However, private market sale prices are reported to have been as high as US$510 per m^2, according to the desirability of the site. Foreign-owned companies may own land, but if private property is expropriated, compensation is required to be paid at the time of expropriation.

Exporting: Slovakia is a member of the General Agreement on Tariffs and Trade, consequently there are no quota limits placed on the import of Canadian goods. Most housing-related products can be imported without a licence. The onward transportation of goods via road and rail is adequate. The Slovak Republic will abolish its 10 percent import surcharge as of January 1997, as a result of pressure from the OECD and as a means of improving chances of obtaining full European Union (EU) membership. Canadian exporters to Slovakia often ask for cash in advance until they have established a track record with new customers.

Product Certification: The State Testing Act and Building Act are identical to those in place in the former Czechoslovakia, and product certification is moving towards the European Union's ISO 9000 standards. Approval times reportedly vary from one to six months, although products certified by other European countries will usually be processed quickly.

EDC Financial Risk Assessment

The Export Development Corporation (EDC) helps Canadian companies compete in world markets through the provision of financial and risk management services. These include export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

The following information was obtained from the EDC Country Risks and Opportunities *book (fall, 1996).*

These issues should be taken into consideration when assessing financial risk in the Slovak Republic.

- Viewed as one of Eastern Europe's most fragile democracies, Slovakia has recently had to endure serious criticism from the EU regarding a series of newly enacted laws that, according to observers, seriously infringe on freedom of expression and human rights. At the end of June, the current administration passed legislation seriously restricting the ability of non-governmental organizations (NGOs) to operate in the country, and made it a criminal offence for Slovaks to criticize the Slovakian government when travelling overseas. The government also refused to expand the agencies designed to oversee the counter-intelligence service, privatization, and the state television to include opposition members.

- Economically, performance continues to be very strong. Real GDP growth in 1995 was 7.4 percent, underpinned chiefly by export growth of 30 percent. Growth in 1996 is projected at a slightly more modest, but still commendable 4.5 percent, underpinned chiefly by rising domestic demand.

- Export growth in 1995 continued the brisk pace set in 1994. Exports to EU were the main contributors to growth in 1995. Export growth in 1996 has been sluggish, while imports have increased sharply as a result of higher economic activity. Thus, the merchandise trade balance is expected to show a deficit in 1996, its first since 1993. The current account is also expected to show a deficit of US$1 billion this year, versus last year's surplus of US$0.7 billion.

- With fiscal policy likely to become expansionary ahead of the 1998 elections, the current account deficit could well rise further. Although the sourcing of external finance is not expected to be a problem, borrowing on this scale will raise foreign debt and debt service rapidly from the current low levels. This would leave the economy more vulnerable to swings in investor sentiment.

- Foreign reserves by the end of May 1996 were US$3.3 billion (3.9 months of imports), up from just US$1.7 billion in 1994. Most of this increase is a result of strong capital inflows. External debt by year-end 1996 was forecast at US$6.2 billion, with the debt service ratio at a manageable 9 percent.

- Despite the generally favourable economic picture, medium-term prospects are clouded by doubts about the government's commitment to structural reforms, particularly privatization. The government's handling of privatization has already disturbed many investors, with moves to limit the power of investment funds causing particular concern.

The overall collection experience in Slovakia is satisfactory. A full range of trading terms are the norm; however, movement is towards less secure terms. There is some difficulty in getting credit and financial information.

The EDC can provide medium- and long-term financing to qualified foreign buyers of Canadian goods and services, as well as short-term insurance when dealing with terms other than cash in advance. The EDC has established $10 million worth of credit with private banks in the Slovak Republic (CSOB and VUB) and rates the export risks as acceptable, although these are based on minimal experience.

REFERENCES

Bacova, Marie (1993) *Information on Housing in Czech Republic and Slovakia* Housing Information Institute, Prague.

CEER (Central European Economic Review) 1996 *Bricks and Mortar,* April 7.

CUI (Canadian Urban Institute) 1996 *Survey of Canadian Housing Exporters in CEE and CIS, May 1996* Toronto: CUI.

de Melo, Martha et al. (1995) *From Plan to Market: Patterns of Transition* World Bank Policy Research Working Paper Series Washington: World Bank.

EBRD (European Bank for Reconstruction and Development) 1996 *Transition Report Update, April 1996* London: EBRD.

EBRD (1995) *Transition Report, 1995, Investment and Enterprise Development* London: EBRD The Economist, March 9, 1996.

EDC (Export Development Corporation) 1996 *Country Risks and Opportunities* Ottawa: EDC.

EIU (Economist Intelligence Unit) 1996 *Czech Republic and Slovakia, Country Report, fourth quarter, 1996* London: EIU.

EIU (Economist Intelligence Unit) 1996 *Czech Republic and Slovakia, Country Report, second quarter, 1996* London: EIU.

Kingsley, Thomas G. and Maris Mikelsons (1996) *The Czech and Slovak Republics: Housing as a "Second Stage" Reform in Economic Restructuring of the Former Soviet Bloc: The Case of Housing,* Raymond J. Struyk ed.

Maxian, Miriam, and Thomas Kingsley (1992) *Housing Costs and Affordability in Czechoslovakia: the Opportunity for Private Home Building* Washington: The Urban Institute.

MRI (Metropolitan Research Institute) 1996 *Regional Housing Indicators Database in the Transitional Countries of Central and Eastern Europe* Budapest: UN Centre for Human Settlements, USAID, ECE Slovakia Magazine, August, 1994.

UNDP (United Nations Development Program) 1995 *Human Development Report, 1995* Oxford University Press.

USDOC (United States Department of Commerce) 1995 *Slovakia—Housing Development Plan (IMI960208)* National Trade Data Bank and Economic Bulletin Board, Stat-USA, Department of Commerce, Washington.

Canada Mortgage and Housing Corporation

Housing Export Centre	700 Montreal Road Ottawa, Ontario K1A 0P7	Tel.: 1-800-465-6212 or (613) 748-2000 Fax: (613) 748-2302

Canadian Government Departments and Services

Department of Foreign Affairs and International Trade (DFAIT)	InfoCentre Lester B. Pearson Building 125 Sussex Drive Ottawa, ON K1A 0G2	Tel.: 1-800-267-8376 or (613) 944-4000 Fax: (613) 996-9709 FaxLink: (613) 944-4500 InfoCentre Bulletin board: Tel.: 1-800-628-1581 or (613) 944-1581
	Central Europe Division (REC) 125 Sussex Drive Ottawa, Ontario K1A 0G2	Tel.: (613) 992-1449 Fax: (613) 995-8756
Canadian Commercial Corporation (CCC)	50 O'Connor Street, 11th Floor Ottawa, Ontario K1A 0S6	Tel.: (613) 996-0034 Fax: (613) 995-2121
Canadian Embassy (located in the Czech Republic)	Commercial Division Mickiewiczova 6 125 33 Prague 6, Czech Republic	Tel.: (011-42-2) 357-685 Fax: (011-42-2) 35 09 25

International Trade Centres

Newfoundland	International Trade Centre P.O. Box 8950 Atlantic Place 215 Water Street Suite 504 St. John's, NF A1B 3R9	Tel.: (709) 772-5511 Fax: (709) 772-5093
Prince Edward Island	International Trade Centre P.O. Box 1115 Confederation Court Mall 134 Kent Street Suite 400 Charlottetown, PE C1A 7M8	Tel.: (902) 566-7443 Fax: (902) 566-7450
Nova Scotia	International Trade Centre P.O. Box 940, Station M 1801 Hollis Street Halifax, NS B3J 2V9	Tel.: (902) 426-7540 Fax: (902) 426-5218
New Brunswick	International Trade Centre 1045 Main Street Unit 103 Moncton, NB E1C 1H1	Tel.: (506) 851-6452 Fax: (506) 851-6429
Quebec	International Trade Centre 5 Place Ville-Marie Seventh Floor Montreal, PQ H3B 2G2	Tel.: (514) 283-6328 Fax: (514) 283-8794
Ontario	International Trade Centre Dominion Public Building 1 Front St. West Fourth Floor Toronto, ON M5J 1A4	Tel.: (416) 973-5053 Fax: (416) 973-8161
Manitoba	International Trade Centre P.O. Box 981 330 Portage Avenue 8th Floor Winnipeg, MB R3G 2V2	Tel.: (204) 983-5851 Fax: (204) 983-3182

International Trade Centres (cont'd)

Saskatchewan	International Trade Centre The S.J. Cohen Building 119-4th Avenue South Suite 401 Saskatoon, SK S7K 5X2	Tel.: (306) 975-5315 Fax: (306) 975-5334
Alberta ** Edmonton office is also responsible for Northwest Territories*	International Trade Centre Canada Place 9700 Jasper Avenue Room 540 Edmonton, AB T5J 4C3	Tel.: (403) 495-2944 Fax: (403) 495-4507
	510-5th Street S.W. Suite 1100 Calgary, AB T2P 3S2	Tel.: (403) 292-4575 Fax: (403) 292-4578
British Columbia **Vancouver office is also responsible for the Yukon*	International Trade Centre 300 West Georgia Street Suite 2000 Vancouver, BC V6B 6E1	Tel.: (604) 666-0434 Fax: (604) 666-0954

Export Development Corporation (EDC)

Ottawa	151 O'Connor Street Ottawa, ON K1A 1K3	Tel.: (613) 598-2500 Fax: (613) 237-2690
Vancouver	One Bentall Centre 505 Burrard Street Suite 1030 Vancouver, BC V7X 1M5	Tel.: (604) 666-6234 Fax: (604) 666-7550
Calgary	510-5th Street S.W. Suite 1030 Calgary, AB T2P 3S2	Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg **office also serves Saskatchewan*	330 Portage Avenue Eighth Floor Winnipeg, MB R3C 0C4	Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	National Bank Building 150 York Street Suite 810 P.O. Box 810 Toronto, ON M5H 3S5	Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Talbot Centre 148 Fullarton Street Suite 1512 London, ON N6A 5P3	Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Tour de la Bourse 800 Victoria Square Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3	Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Purdy's Wharf, Tower 2 1969 Upper Water Street Suite 1410 Halifax, NS B3J 3R7	Tel.: (902) 429-0426 Fax: (902) 423-0881

Multilateral Organizations

World Bank	Washington, D.C. 20433 U.S.A.	Tel.: (202) 477-1234 Fax: (202) 477-6391
Office for Liaison with International Financial Institutions	Canadian Embassy 501 Pennsylvania Avenue N.W. Washington, D.C. 20001	Tel.: (202) 682-7719 Fax: (202) 682-7726

Business and Professional Organizations in Canada

Alliance of Manufacturers and Exporters Canada	99 Bank Street, Suite 250 Ottawa, ON K1P 6B9	Tel.: (613) 238-8888 Fax: (613) 563-9218

Slovak Republic Government Offices in Canada

Embassy of the Slovak Republic	50 Rideau Terrace Ottawa, Ontario K1M 2A1	Tel.: (613) 749-4442 Fax: (613) 749-4989

Slovak Republic Institutional Support for Housing Importers

Ministry of Housing and Public Works	Spitalska 8 816 44 Bratislava, Slovak Republic	Tel.: (011-42-7) 5338-3813 Fax: (011-42-7) 367 054
The Civil Engineering Technical and Testing Institute	Studena 3 Managing Director (German speaker) 826 34 Bratislava, Slovak Republic	Tel.: (011-42-7) 271 286 Fax: (011-42-7) 271 134 The Testing Director: (English speaker) Tel.: (011-42-7) 502-8102.
Ustav Stavebnich Informaci (Housing Research Institute)	Na Berance 2 160 00 Praha 6, Czech Republic	Tel.: (011-42-2) 316-4689 Fax: (011-42-2) 316-4801
Spolok Architecu Slovenska (The Slovak Architects' Society)	Panska 15 811 01 Bratislava, Slovak Republic	Tel.: (011-42-7) 533-1484 or 533-1268 Fax: (011-42-7) 533-5744
Coneco Bratislava	Incheba a.s. Viendenska cesta 7 852 51 Bratislava, Slovak Republic	Tel.: (011-42-7) 802-215 Fax: (011-42-7) 802-055

CMHC SCHL
Helping to house Canadians

HOUSING EXPORT OPPORTUNITIES SERIES ORDER FORM

CMHC
P.O. Box 35005
Stn BRM B
Toronto, ON
M7Y 6E5

1-800-668-2642
Outside Canada call
1-613-748-2003

Charge to VISA, American Express or MasterCard.

To avoid double billing, please do not send confirmation.

FAX TO
1-800-245-9274
Outside Canada
1-613-748-2016

VISA, American Express, and MasterCard.

To avoid double billing, please do not send confirmation. A fax will be treated as an original order.

Please Print

Name	
Company or Organization	Position Title
Address	
City / Province/State/Country / Postal/Zip Code	
Telephone Number ( )	Fax Number ( )

METHOD OF PAYMENT

Check only one (individuals must prepay all orders.)

☐ Please charge my
VISA ☐ American Express ☐ MasterCard ☐
Card Number
Expiry Date
Signature

☐ Payment enclosed $ ________
Please make cheque or money order payable to CMHC

To Complete See Example on Reverse Side

ORDER NUMBER	REPORT TITLE Please be sure the order number and report title match the listing	1 QTY	2 ITEM AMOUNT $	3 TOTAL $ AMOUNT 1 x 2	4 SHIPPING POINTS	5 TOTAL SHIPPING POINTS 1 x 4
					3	
					3	
					3	
					3	
					3	
					3	
					3	
					3	
					3	

SOURCE
(How did you hear about the product?)

TV AD ☐ ☐ CATALOGUE
NEWSPAPER ☐ ☐ FLYER/BROCHURE
MAGAZINE ☐ ☐ OTHER

Subtotal Column 3	A	
SHIPPING CHOICE Regular Mail ☐ Courier ☐ — ADD Shipping & Handling	B	
Subtotal (Add A + B)	C	
Registration #100756428 — ADD GST (7% of subtotal C)	D	
Subtotal (Add C + D)	E	
Quebec residents add PST (6.5% of Subtotal E)	F	
Total (Add E + F)	G	

Subtotal Column 5

Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.

U.S. AND INTERNATIONAL ORDERS
Please pay subtotal C in U.S. Funds
(do not add GST or PST)

SEE EXAMPLE ON REVERSE

Shipping and Handling Charges

Points	Canada Regular Rates	Canada Courier Rates	U.S. Regular Air Rates	U.S. Courier Rates	International Regular Air Rates	International Courier Rates	Europe Courier Rates
1	2.55	5.00	5.00	11.00	7.00	24.00	19.00
2	3.65	8.00	6.50	14.00	9.00	30.00	25.00
3 to 5	5.80	11.07	8.11	30.75	12.18	63.75	47.75
6 to 10	6.18	11.07	12.46	34.75	20.61	88.75	55.75
11 to 20	6.43	12.35	18.08	42.75	38.77	118.75	71.75
21 to 40	6.94	14.90	23.81	58.75	64.65	193.75	103.75
41 to 60	7.44	17.62	29.48	74.75	68.12	253.75	129.75
61 to 80	7.95	20.51	35.15	90.75	117.36	313.75	149.75
81 to 100	8.45	23.35	40.92	106.75	146.60	373.75	169.75
101 to 120	8.96	26.20	46.59	120.75	166.71	433.75	189.75
121 to 140	9.46	29.05	52.31	134.75	184.72	493.75	209.75
141 to 160	9.97	31.90	58.00	148.75	207.45	553.75	229.75
161 to 180	10.47	34.75	63.71	162.75	228.92	613.75	249.75
181 to 200	10.98	35.60	69.38	176.75	250.29	658.75	269.75
201 to 220	11.48	40.45	75.05	190.75	N/A	718.75	289.75
221 to 240	11.99	43.30	80.72	204.75	N/A	778.75	309.75
241 to 260	12.49	46.15	86.49	218.75	N/A	838.75	329.75
261 to 280	13.00	49.00	92.21	232.75	N/A	901.75	349.75
281 to 300	13.50	51.85	97.88	246.75	N/A	958.75	369.75
Estimated Delivery times	2-3 weeks	5-10 days	2-3 weeks	5-10 days	4-8 weeks	12 days	12 days

Prices Subject to Change

CMHC Return Policy

We will replace damaged materials and correct shipping errors if we are notified within thirty days after you receive your shipment. If an item is not defective or not mistakenly shipped, then it must be returned by you at your cost within thirty days of receipt. It must arrive here in resaleable condition for you to receive credit.

International Note: Most international return shipments arrive damaged. If you received damaged items, contact CMHC at (613) 748-2969. Please do NOT return the damaged items unless we ask.

Example: To complete order form and determine shipping and handling charges

ORDER NUMBER	REPORT TITLE Please be sure the order number and report title match the listing	1 QTY	2 ITEM AMOUNT $	3 TOTAL AMOUNT 1 x 2	4 SHIPPING POINTS	5 TOTAL SHIPPING POINTS 1 x 4
NHA 8003	Brazil	1	35.–	35.–	3	3
NHA 8009	Western Europe	2	23.–	46.–	3	6
					3	
					3	

SOURCE
(How did you hear about the product?)
TV AD ☐ ☐ CATALOGUE
NEWSPAPER ☐ ☐ FLYER/BROCHURE
MAGAZINE ☐ ☐ OTHER

U.S. AND INTERNATIONAL ORDERS
Please pay subtotal C in U.S. Funds
(do not add GST or PST)

	Subtotal Column 3	A 81.–
SHIPPING CHOICE Regular Mail ☑ Courier ☐	ADD Shipping & Handling	B 6.18
	Subtotal (Add A + B)	C 87.18
Registration #100756428	ADD GST (7% of subtotal C)	D 6.10
	Subtotal (Add C + D)	E 93.28
	Quebec residents add PST (6.5% of Subtotal E)	F –
	Total (Add E + F)	G 93.28

Subtotal Column 5: 9

Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.

CMHC's Housing Export Opportunities series contains up-to-date, relevant information on foreign housing markets for the Canadian Housing industry. Six regional reports and over 70 country reports provide you with the market research and analysis you need to make the right business decisions about today's most dynamic offshore housing markets.

The regional reports give you an overview of each major geographical area studied, its key opportunities and the best way to enter the market. They are available for:

- Latin America
- Western Europe
- Asia and Pacific Rim
- Central and Eastern Europe
- Middle East and North Africa
- United States

The country reports provide in-depth analyses of local housing needs and conditions, trade policy and business customs for each country. Also included is advice on risk assessment, cultural issues, establishing an office and distribution and sales channels. Each report has a comprehensive list of contacts, both in Canada and abroad for financial and industry information.

Get CMHC's Housing Export Opportunities series and get ready to export. Prepare for a more profitable future. Order your country reports today!